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4 Phoenix, Arizona 85004
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6 Attorneys for East Slope Water Company

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2010 DEC 29 P 3:57

AZ CORP COMMISSION
DOCKET CONTROL

7
8 **BEFORE THE ARIZONA CORPORATION COMMISSION**

9 **COMMISSIONERS**

10 KRISTIN K. MAYES, CHAIRMAN
11 GARY PIERCE
12 PAUL NEWMAN
13 SANDRA D. KENNEDY
14 BOB STUMP

Arizona Corporation Commission

DOCKETED

DEC 29 2010

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15 **EAST SLOPE WATER COMPANY'S
16 APPLICATION FOR A PERMANENT
17 INCREASE IN ITS WATER RATES**

Docket No. W-01906A-10-0170

**MOTION REGARDING
SUFFICIENCY OF RATE
APPLICATION**

(hearing requested)

18
19 On or about April 30, 2010, East Slope Water Company ("Company") submitted
20 an application for a permanent increase in its water rates. Soon thereafter the Company
21 filed a finance application requesting authority to incur debt to make system repairs and
22 improvements in cooperation with two related companies (Antelope Run Water Company
23 and Indiada Water Company). On May 28, 2010 the Company received a Letter of
24 Deficiency requesting significant changes to the rate application. On August 27, 2010
25 the Company submitted its revised rate application making changes requested by the
26 Arizona Corporation Commission Staff ("Staff").
27
28

1 On or about September 27, 2010, the Company received a Second Letter of
2 Deficiency. This second letter of deficiency listed engineering issues that did not relate
3 to the Company's rate application, but instead raised issues concerning the finance
4 application. See Attachment 1. Put another way, Staff found the Company's rate
5 application insufficient because they wanted more information regarding the finance
6 application, not the rate application.
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9 The Company's position is that the rate application is sufficient and should move
10 forward regardless of the finance application. If Staff believes the financing application
11 is insufficient, then it should make such a determination and request additional
12 information in the financing docket. But it should not withhold its finding of sufficiency
13 regarding the rate application. The Company has discussed the issue with Staff several
14 times to determine how to move forward, but Staff has taken the position that they will
15 not find the rate application sufficient because their request for additional information on
16 the finance application has not been fulfilled.
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19 Therefore, the Company moves this Court to find the information requested in
20 Staff's deficiency letter is not required for the Company's rate application to be deemed
21 sufficient, and order that the rate application be found sufficient regardless of how Staff
22 treats the finance application.
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24

25 RESPECTFULLY SUBMITTED this 29TH day of December, 2010.

26 **Moyes Sellers & Sims**

27 
28 _____
Steve Wene

1 Original and 15 copies of the foregoing
2 filed this 29th day of December, 2010, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington
6 Phoenix, Arizona 85007

7 Copy of the foregoing mailed this
8 29th day of December, 2010, to:

9 Robin Mitchell, Attorney
10 Legal Division
11 Arizona Corporation Commission
12 1200 W. Washington Street
13 Phoenix, Arizona 85007
14 rmitchell@azcc.gov

15 *Donnelly Herbert*

ATTACHMENT 1

ORIGINAL



COMMISSIONERS
KRISTIN K. MAYES - Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

ARIZONA CORPORATION COMMISSION

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2010 SEP 27 P 1:58

September 27, 2010

AZ CORP COMMISSION
DOCKET CONTROL

Ms. Sonn S. Rowell, CPA
Desert Mountain Analytical Services PLLC
PO Box 51628
Ahwatukee, Arizona 85076

RE: EAST SLOPE WATER COMPANY - APPLICATION FOR A RATE INCREASE DOCKET NO.
W-01906A-10-0170

SECOND LETTER OF DEFICIENCY

Dear Ms. Rowell:

In reference to your rate application received on April 30, 2010, this letter is to inform you that your application has not met the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103.

Staff previously found that your application was deficient on May 28, 2010. The Company submitted information in response to that letter. The information submitted did not sufficiently or completely address some of the deficiencies. The continued deficiencies are listed on a separate attachment. The 30-day sufficiency determination period will begin anew when the Company corrects the deficiencies and Docket Control receives an original and 15 copies of the corrected pages.

You have 16 calendar days, or until October 13, 2010, to correct the deficiencies, or make other arrangements with Staff to remedy your rate application.

The Staff person assigned to your application is Jeffrey M. Michlik. He can be reached at (602) 364-2034, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,

Nancy L. Scott, Esq.
Chief, Financial & Regulatory Analysis Section
Utilities Division

CC: Docket Control Center (fifteen copies)
Connie Walczak, Consumer Services
Delbert Smith, Engineering
Lyn Farmer, Hearing Division

Arizona Corporation Commission

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SEP 27 2010

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EAST SLOPE WATER COMPANY
Rate Application
Docket No. W-01906A-10-0170
Test Year Ended December 31, 2009
List of Deficiencies

Engineering Issues

1. Referring to a Preliminary Statement on page 2 of Finance Application, "The Company is seeking to finance improvements to **water production** and distribution systems, which will cost an estimated \$3,000,000.00." However, according to the Opinion of Probable Costs in Exhibit 1, there are no proposed improvements to water production. For clarification purposes please identify those items that specifically enhance water production and those items that are related to distribution.

2. In order for Staff to accurately evaluate the Finance Application, please provide a report prepared by the Company's Engineer. The report should include a map (a map should identify respective CC&Ns, a layout of existing plant by system and proposed improvements), analysis of each system deficiencies and recommendations of the most efficient and appropriate improvements with detailed description of the proposed construction cost and timeline.